

Title: Incentives for Prevention of Chronic Diseases in Medicaid

Section: 4108

State Option

Overview: Section 4108 of the Patient Protection and Affordable Care Act (ACA) authorizes the Secretary of the U.S. Department of Health and Human Services (HHS) to award grants to states to carry out initiatives to provide incentives to Medicaid beneficiaries to adopt healthy lifestyles. These grants are intended to test approaches that encourage behavior modification and determine scalable solutions to help Medicaid beneficiaries lead healthier lives.

An incentive program under this grant must be in effect for at least three (3) years, be comprehensive in scope, and have demonstrated success in helping individuals adopt behaviors that result in: ceasing the use of tobacco products; controlling or lowering weight; lowering cholesterol; lowering blood pressure; or avoiding the onset of diabetes or improving the management of that condition.

Participating States must provide semi-annual reports regarding the use of the grant funds; assessments of the program and lessons learned; assessment of any quality improvements and clinical outcomes under such programs; and estimates of cost savings resulting from such programs. States must conduct outreach and education campaigns to inform Medicaid beneficiaries and providers of the incentive program.

Targeted Populations: All Medicaid members, with a particular emphasis on those members who are overweight, use tobacco products, have high blood pressure, have high cholesterol, or who have diabetes or are at risk of developing diabetes.

Fiscal Impact: The Secretary is directed to award grants no later than January 1, 2011, and the section authorizes the expenditure of \$100 million over a five year period, effective January 2011. As of October 1, 2010, CMS had not issued any guidance or provided additional information regarding this demonstration project. Until the specifics of this demonstration project are announced, and until Congress appropriates funding, the amount of federal funding is unknown, as are any state funding requirements.

Applicability to Nevada: This grant could be used to develop a member-incentive component to complement the Division's health homes initiative (under Section 2703), and help Medicaid members who have, or are at risk of developing, chronic conditions. Individuals that adopt behaviors that improve their health should result in lower costs for the Medicaid program.